

Assembly Bill No. 872

CHAPTER 572

An act to add Sections 14529.17, 14529.19, and 14529.23 to the Government Code, relating to transportation.

[Approved by Governor September 28, 1999. Filed
with Secretary of State September 29, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AB 872, Alquist. Transportation: regional and local project funds: allocation and transfer.

Existing law authorizes a local agency to enter into an agreement with the appropriate transportation planning agency, the California Transportation Commission, and the Department of Transportation to use its own funds to develop, purchase right-of-way, and construct a project within its jurisdiction if the project is included in the adopted state transportation improvement program and funded from specified sources. The department is required to reimburse the local agency for the amount expended pursuant to the agreement from funds allocated by the commission for the project in the year it was scheduled in the state transportation improvement program, as specified.

This bill would authorize a regional or local entity to expend its own funds for any component of a transportation project within its jurisdiction that is included in the current fiscal year's state transportation improvement program and for which the commission has not made an allocation. The amount expended would be authorized to be reimbursed by the state, subject to annual appropriation by the Legislature, if (1) the commission makes an allocation for, and the department executes a fund transfer agreement for, the project during the same fiscal year as when the regional or local expenditure was made; (2) expenditures made by the regional or local entity are eligible for reimbursement in accordance with state and federal laws and procedures; and (3) the regional or local entity complies with all legal requirements for the project, as specified.

The bill would require the department and a local or regional entity to execute an agreement to transfer funds for a project within 90 days from the date on which the commission approves an allocation for the project, if no deficiencies that require clarification by a local or regional entity are identified in the preaward audit for the project and the project is included in an adopted state transportation improvement program.

The bill would require the department, on July 1, 2000, and annually thereafter, to compile information and report to the Legislature on the number of projects for which an agreement to transfer funds was executed and on all projects for which an agreement was not executed within the period provided and the reasons therefor, and a description of any actions taken by the department during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the specified agreements to transfer funds.

The bill would require the department to implement systems that allow rapid access to funds made available under executed agreements to transfer funds. The bill would require the Controller to develop a system that provides access to those funds by electronic transfer of funds, as specified.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature in enacting this act to streamline and improve the process for allocating and transferring funds to regional and local governmental entities for projects included in the state transportation improvement program.

SEC. 2. Section 14529.17 is added to the Government Code, to read:

14529.17. (a) A regional or local entity that is the sponsor of, or is eligible to receive funding for, a project contained in the state transportation improvement program may expend its own funds for any component of a transportation project within its jurisdiction that is included in an adopted state transportation improvement program and for which the commission has not made an allocation.

(b) The amount expended under subdivision (a) shall be reimbursed by the state, subject to annual appropriation by the Legislature, if all of the following conditions are met:

(1) The commission makes an allocation for, and the department executes an agreement to transfer funds for, the project.

(2) Expenditures made by the regional or local entity are eligible for reimbursement in accordance with state and federal laws and procedures. In the event expenditures made by the regional or local entity are determined to be ineligible, the state has no obligation to reimburse those expenditures.

(3) The regional or local entity complies with all legal requirements for the project, including, but not limited to, authorization by the federal government, if required, Section 14520.3, and the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(c) Upon the execution of an agreement with the department to transfer reimbursement funds for a project described in subdivision

(a), the commission may delay reimbursement pursuant to this section only if programming or cash-management issues prevent immediate repayment.

(d) This section shall be limited to projects advanced for expenditure by an eligible local or regional entity within the 12 months preceding the date the project would otherwise be allocated funding by the commission.

(e) Unless otherwise agreed in advance by the commission and the department, the funds appropriated for the purposes of reimbursement under this section shall be federal funds and state matching funds.

SEC. 3. Section 14529.19 is added to the Government Code, to read:

14529.19. (a) If no deficiencies that require clarification by a local or regional entity are identified in the preaward audit for a local or regional project that is included in an adopted state transportation improvement program, the department and the local or regional entity shall execute an agreement to transfer funds for the project within 90 days from the date on which the commission approves an allocation for the project.

(b) Notwithstanding Section 7550.5, on July 1, 2000, and annually thereafter, the department shall compile information and report to the Legislature on the number of projects for which an agreement to transfer funds under subdivision (a) was executed and on all projects for which an agreement was not executed within the period provided under subdivision (a) and the reasons therefor. The information provided by the department shall include a description of any actions taken by the department during the prior fiscal year to streamline, expedite, and simplify the department's process for executing the agreements to transfer funds required under subdivision (a).

SEC. 4. Section 14529.23 is added to the Government Code, to read:

14529.23. The department shall implement systems that allow rapid access to funds made available under executed agreements to transfer funds. The Controller shall develop a system that provides access to those funds by electronic transfer of funds. Upon the development of that system by the Controller, the department shall utilize that system to comply with Section 14529.19 to the maximum extent feasible.

